
SECOND SUBSTITUTE SENATE BILL 5043

State of Washington

60th Legislature

2008 Regular Session

By Senate Natural Resources, Ocean & Recreation (originally sponsored by Senators Haugen, Jacobsen, Fairley, Keiser, Regala, Hatfield, Berkey, Fraser, Sheldon, Poulsen, Rasmussen, and Kohl-Welles)

READ FIRST TIME 01/31/08.

1 AN ACT Relating to the creation of a state property tax levy
2 dedicated to parks; amending RCW 84.52.043, 84.52.065, 79A.05.215,
3 84.48.080, 84.52.068, 39.89.020, and 39.102.020; creating a new
4 section; providing an expiration date; and providing for submission of
5 this act to a vote of the people.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **Sec. 1.** RCW 84.52.043 and 2005 c 122 s 3 are each amended to read
8 as follows:

9 Within and subject to the limitations imposed by RCW 84.52.050 as
10 amended, the regular ad valorem tax levies upon real and personal
11 property by the taxing districts hereafter named shall be as follows:

12 (1) Levies of the senior taxing districts shall be as follows: (a)
13 The levy by the state under RCW 84.52.065(1) shall not exceed three
14 dollars and sixty cents per thousand dollars of assessed value adjusted
15 to the state equalized value in accordance with the indicated ratio
16 fixed by the state department of revenue to be used exclusively for the
17 support of the common schools; (b) the levy by the state under RCW
18 84.52.065(2) shall not exceed one cent per thousand dollars of assessed
19 value adjusted to the state equalized value in accordance with the

1 indicated ratio fixed by the state department of revenue to be used
2 exclusively for the support of the state parks; (c) the levy by any
3 county shall not exceed one dollar and eighty cents per thousand
4 dollars of assessed value; (~~(+e)~~) (d) the levy by any road district
5 shall not exceed two dollars and twenty-five cents per thousand dollars
6 of assessed value; and (~~(+d)~~) (e) the levy by any city or town shall
7 not exceed three dollars and thirty-seven and one-half cents per
8 thousand dollars of assessed value. However any county is hereby
9 authorized to increase its levy from one dollar and eighty cents to a
10 rate not to exceed two dollars and forty-seven and one-half cents per
11 thousand dollars of assessed value for general county purposes if the
12 total levies for both the county and any road district within the
13 county do not exceed four dollars and five cents per thousand dollars
14 of assessed value, and no other taxing district has its levy reduced as
15 a result of the increased county levy.

16 (2) The aggregate levies of junior taxing districts and senior
17 taxing districts, other than the state, shall not exceed five dollars
18 and ninety cents per thousand dollars of assessed valuation. The term
19 "junior taxing districts" includes all taxing districts other than the
20 state, counties, road districts, cities, towns, port districts, and
21 public utility districts. The limitations provided in this subsection
22 shall not apply to: (a) Levies at the rates provided by existing law
23 by or for any port or public utility district; (b) excess property tax
24 levies authorized in Article VII, section 2 of the state Constitution;
25 (c) levies for acquiring conservation futures as authorized under RCW
26 84.34.230; (d) levies for emergency medical care or emergency medical
27 services imposed under RCW 84.52.069; (e) levies to finance affordable
28 housing for very low-income housing imposed under RCW 84.52.105; (f)
29 the portions of levies by metropolitan park districts that are
30 protected under RCW 84.52.120; (g) levies imposed by ferry districts
31 under RCW 36.54.130; (h) levies for criminal justice purposes under RCW
32 84.52.135; and (i) the portions of levies by fire protection districts
33 that are protected under RCW 84.52.125.

34 **Sec. 2.** RCW 84.52.065 and 1991 sp.s. c 31 s 16 are each amended to
35 read as follows:

36 (1) Subject to the limitations in RCW 84.55.010, in each year the
37 state shall levy for collection in the following year for the support

1 of common schools of the state a tax of three dollars and sixty cents
2 per thousand dollars of assessed value upon the assessed valuation of
3 all taxable property within the state adjusted to the state equalized
4 value in accordance with the indicated ratio fixed by the state
5 department of revenue.

6 (2) Subject to the limitations in RCW 84.55.010, in each year the
7 state shall levy for collection in the following year for the support
8 of the state parks a tax of one cent per thousand dollars of assessed
9 value upon the assessed valuation of all taxable property within the
10 state adjusted to the state equalized value in accordance with the
11 indicated ratio fixed by the state department of revenue. Revenue from
12 the state parks levy shall be deposited into the state parks renewal
13 and stewardship account created in RCW 79A.05.215.

14 (3) As used in this section, "the support of common schools"
15 includes the payment of the principal and interest on bonds issued for
16 capital construction projects for the common schools.

17 **Sec. 3.** RCW 79A.05.215 and 2007 c 340 s 2 are each amended to read
18 as follows:

19 The state parks renewal and stewardship account is created in the
20 state treasury. Except as otherwise provided in this chapter, all
21 receipts from the state property tax levy dedicated to state parks
22 under RCW 84.52.065(2), user fees, concessions, leases, donations
23 collected under RCW 46.16.076, and other state park-based activities
24 shall be deposited into the account. Expenditures from the account may
25 be used for operating state parks, developing and renovating park
26 facilities, undertaking deferred maintenance, enhancing park
27 stewardship, and other state park purposes, except that the revenue
28 from the state property tax levy dedicated to state parks under RCW
29 84.52.065(2) may only be used for deferred and preventive maintenance,
30 historical preservation, renovation, and repair of existing state park
31 facilities and land. Expenditures from the account may be made only
32 after appropriation by the legislature.

33 **Sec. 4.** RCW 84.48.080 and 2001 c 185 s 12 are each amended to read
34 as follows:

35 (1) Annually during the months of September and October, the
36 department of revenue shall examine and compare the returns of the

1 assessment of the property in the several counties of the state, and
2 the assessment of the property of railroad and other companies assessed
3 by the department, and proceed to equalize the same, so that each
4 county in the state shall pay its due and just proportion of the taxes
5 for state purposes for such assessment year, according to the ratio the
6 valuation of the property in each county bears to the total valuation
7 of all property in the state.

8 (a) The department shall classify all property, real and personal,
9 and shall raise and lower the valuation of any class of property in any
10 county to a value that shall be equal, so far as possible, to the true
11 and fair value of such class as of January 1st of the current year for
12 the purpose of ascertaining the just amount of tax due from each county
13 for state purposes. In equalizing personal property as of January 1st
14 of the current year, the department shall use valuation data with
15 respect to personal property from the three years immediately preceding
16 the current assessment year in a manner it deems appropriate. Such
17 classification may be on the basis of types of property, geographical
18 areas, or both. For purposes of this section, for each county that has
19 not provided the department with an assessment return by December 1st,
20 the department shall proceed, using facts and information and in a
21 manner it deems appropriate, to estimate the value of each class of
22 property in the county.

23 (b) The department shall keep a full record of its proceedings and
24 the same shall be published annually by the department.

25 (2) The department shall levy the state taxes authorized by law.
26 The amount levied in any one year for general state purposes shall not
27 exceed the lawful dollar rate on the dollar of the assessed value of
28 the property of the entire state, which assessed value shall be one
29 hundred percent of the true and fair value of the property in money.
30 The department shall apportion the amount of tax for state purposes
31 levied by the department, among the several counties, in proportion to
32 the valuation of the taxable property of the county for the year as
33 equalized by the department: PROVIDED, That for purposes of this
34 apportionment, the department shall recompute the previous year's levy
35 and the apportionment thereof to correct for changes and errors in
36 taxable values reported to the department after October 1 of the
37 preceding year and shall adjust the apportioned amount of the current
38 year's state levy for each county by the difference between the

1 apportioned amounts established by the original and revised levy
2 computations for the previous year. For purposes of this section,
3 changes in taxable values mean a final adjustment made by a county
4 board of equalization, the state board of tax appeals, or a court of
5 competent jurisdiction and shall include additions of omitted property,
6 other additions or deletions from the assessment or tax rolls, any
7 assessment return provided by a county to the department subsequent to
8 December 1st, or a change in the indicated ratio of a county. Errors
9 in taxable values mean errors corrected by a final reviewing body.

10 ~~((In addition to computing a levy under this subsection that is
11 reduced under RCW 84.55.012, the department shall compute a
12 hypothetical levy without regard to the reduction under RCW 84.55.012.
13 This hypothetical levy shall also be apportioned among the several
14 counties in proportion to the valuation of the taxable property of the
15 county for the year, as equalized by the department, in the same manner
16 as the actual levy and shall be used by the county assessors for the
17 purpose of recomputing and establishing a consolidated levy under RCW
18 84.52.010.))~~

19 (3) The department shall have authority to adopt rules and
20 regulations to enforce obedience to its orders in all matters in
21 relation to the returns of county assessments, the equalization of
22 values, and the apportionment of the state levy by the department.

23 (4) After the completion of the duties prescribed in this section,
24 the director of the department shall certify the record of the
25 proceedings of the department under this section, the tax levies made
26 for state purposes and the apportionment thereof among the counties,
27 and the certification shall be available for public inspection.

28 **Sec. 5.** RCW 84.52.068 and 2005 c 514 s 1104 are each amended to
29 read as follows:

30 (1) A portion of the proceeds of the state property tax levy for
31 the support of the common schools under RCW 84.52.065(1) shall be
32 deposited into the student achievement fund as provided in this
33 section.

34 (2)(a) The amount of the deposit shall be based upon the average
35 number of full-time equivalent students in the school districts during
36 the previous school year as reported to the office of the

1 superintendent of public instruction by August 31st of the previous
2 school year.

3 (b) For the 2004-2005 through 2007-2008 school years, an annual
4 amount equal to two hundred fifty-four dollars per full-time equivalent
5 student in all school districts shall be deposited in the student
6 achievement fund.

7 (c) For the 2008-2009 school year, an annual amount equal to two
8 hundred sixty-five dollars per full-time equivalent student in all
9 school districts shall be deposited in the student achievement fund.

10 (d) For the 2009-2010 school year, an annual amount equal to two
11 hundred seventy-seven dollars per full-time equivalent student in all
12 school districts shall be deposited in the student achievement fund.

13 (e) For the 2010-2011 school year and each year thereafter, an
14 annual amount equal to two hundred seventy-eight dollars per full-time
15 equivalent student in all school districts shall be deposited in the
16 student achievement fund.

17 (f) The school district annual amounts shall be deposited based on
18 the monthly apportionment schedule as defined in RCW 28A.510.250. The
19 office of the superintendent of public instruction shall notify the
20 department of the monthly amounts to be deposited into the student
21 achievement fund to meet the apportionment schedule.

22 **Sec. 6.** RCW 39.89.020 and 2001 c 212 s 2 are each amended to read
23 as follows:

24 The definitions in this section apply throughout this chapter
25 unless the context clearly requires otherwise.

26 (1) "Assessed value of real property" means the valuation of real
27 property as placed on the last completed assessment roll.

28 (2) "Local government" means any city, town, county, port district,
29 or any combination thereof.

30 (3) "Ordinance" means any appropriate method of taking legislative
31 action by a local government.

32 (4) "Public improvements" means:

33 (a) Infrastructure improvements within the increment area that
34 include:

- 35 (i) Street and road construction and maintenance;
- 36 (ii) Water and sewer system construction and improvements;
- 37 (iii) Sidewalks and streetlights;

- 1 (iv) Parking, terminal, and dock facilities;
- 2 (v) Park and ride facilities of a transit authority;
- 3 (vi) Park facilities and recreational areas; and
- 4 (vii) Storm water and drainage management systems; and
- 5 (b) Expenditures for any of the following purposes:

6 (i) Providing environmental analysis, professional management,
7 planning, and promotion within the increment area, including the
8 management and promotion of retail trade activities in the increment
9 area;

10 (ii) Providing maintenance and security for common or public areas
11 in the increment area; or

12 (iii) Historic preservation activities authorized under RCW
13 35.21.395.

14 (5) "Public improvement costs" means the costs of: (a) Design,
15 planning, acquisition, site preparation, construction, reconstruction,
16 rehabilitation, improvement, and installation of public improvements;
17 (b) relocating, maintaining, and operating property pending
18 construction of public improvements; (c) relocating utilities as a
19 result of public improvements; (d) financing public improvements,
20 including interest during construction, legal and other professional
21 services, taxes, insurance, principal and interest costs on general
22 indebtedness issued to finance public improvements, and any necessary
23 reserves for general indebtedness; (e) assessments incurred in
24 revaluing real property for the purpose of determining the tax
25 allocation base value that are in excess of costs incurred by the
26 assessor in accordance with the revaluation plan under chapter 84.41
27 RCW, and the costs of apportioning the taxes and complying with this
28 chapter and other applicable law; and (f) administrative expenses and
29 feasibility studies reasonably necessary and related to these costs,
30 including related costs that may have been incurred before adoption of
31 the ordinance authorizing the public improvements and the use of
32 community revitalization financing to fund the costs of the public
33 improvements.

34 (6) "Regular property taxes" means regular property taxes as
35 defined in RCW 84.04.140, except: (a) Regular property taxes levied by
36 port districts or public utility districts specifically for the purpose
37 of making required payments of principal and interest on general
38 indebtedness; and (b) regular property taxes levied by the state for

1 the support of the common schools and for the support of state parks
2 under RCW 84.52.065. Regular property taxes do not include excess
3 property tax levies that are exempt from the aggregate limits for
4 junior and senior taxing districts as provided in RCW 84.52.043.

5 (7) "Tax allocation base value" means the true and fair value of
6 real property located within an increment area for taxes imposed in the
7 year in which the increment area is created, plus twenty-five percent
8 of any increase in the true and fair value of real property located
9 within an increment area that is placed on the assessment rolls after
10 the increment area is created.

11 (8) "Tax allocation revenues" means those tax revenues derived from
12 the imposition of regular property taxes on the increment value and
13 distributed to finance public improvements.

14 (9) "Increment area" means the geographic area from which taxes are
15 to be appropriated to finance public improvements authorized under this
16 chapter.

17 (10) "Increment value" means seventy-five percent of any increase
18 in the true and fair value of real property in an increment area that
19 is placed on the tax rolls after the increment area is created.

20 (11) "Taxing districts" means a governmental entity that levies or
21 has levied for it regular property taxes upon real property located
22 within a proposed or approved increment area.

23 (12) "Value of taxable property" means the value of the taxable
24 property as defined in RCW 39.36.015.

25 **Sec. 7.** RCW 39.102.020 and 2007 c 229 s 1 are each amended to read
26 as follows:

27 The definitions in this section apply throughout this chapter
28 unless the context clearly requires otherwise.

29 (1) "Annual state contribution limit" means seven million five
30 hundred thousand dollars statewide per fiscal year.

31 (2) "Assessed value" means the valuation of taxable real property
32 as placed on the last completed assessment roll.

33 (3) "Base year" means the first calendar year following the
34 calendar year in which a sponsoring local government, and any
35 cosponsoring local government, receives approval by the board for a
36 project award, provided that the approval is granted before October
37 15th. If approval by the board is received on or after October 15th

1 but on or before December 31st, the "base year" is the second calendar
2 year following the calendar year in which a sponsoring local
3 government, and any cosponsoring local government, receives approval by
4 the board for a project award.

5 (4) "Board" means the community economic revitalization board under
6 chapter 43.160 RCW.

7 (5) "Demonstration project" means one of the following projects:

8 (a) Bellingham waterfront redevelopment project;

9 (b) Spokane river district project at Liberty Lake; and

10 (c) Vancouver riverwest project.

11 (6) "Department" means the department of revenue.

12 (7) "Fiscal year" means the twelve-month period beginning July 1st
13 and ending the following June 30th.

14 (8) "Local excise taxes" means local revenues derived from the
15 imposition of sales and use taxes authorized in RCW 82.14.030 at the
16 tax rate that was in effect at the time the revenue development area
17 was approved by the board, except that if a local government reduces
18 the rate of such tax after the revenue development area was approved by
19 the board, "local excise taxes" means the local revenues derived from
20 the imposition of the sales and use taxes authorized in RCW 82.14.030
21 at the lower tax rate.

22 (9) "Local excise tax allocation revenue" means the amount of local
23 excise taxes received by the local government during the measurement
24 year from taxable activity within the revenue development area over and
25 above the amount of local excise taxes received by the local government
26 during the base year from taxable activity within the revenue
27 development area, except that:

28 (a) If a sponsoring local government adopts a revenue development
29 area and reasonably determines that no activity subject to tax under
30 chapters 82.08 and 82.12 RCW occurred within the boundaries of the
31 revenue development area in the twelve months immediately preceding the
32 approval of the revenue development area by the board, "local excise
33 tax allocation revenue" means the entire amount of local excise taxes
34 received by the sponsoring local government during a calendar year
35 period beginning with the calendar year immediately following the
36 approval of the revenue development area by the board and continuing
37 with each measurement year thereafter; and

1 (b) For revenue development areas approved by the board in calendar
2 years 2006 and 2007 that do not meet the requirements in (a) of this
3 subsection and if legislation is enacted in this state during the 2007
4 legislative session that adopts the sourcing provisions of the
5 streamlined sales and use tax agreement, "local excise tax allocation
6 revenue" means the amount of local excise taxes received by the
7 sponsoring local government during the measurement year from taxable
8 activity within the revenue development area over and above an amount
9 of local excise taxes received by the sponsoring local government
10 during the 2007 or 2008 base year, as the case may be, adjusted by the
11 department for any estimated impacts from retail sales and use tax
12 sourcing changes effective in 2008. The amount of base year adjustment
13 determined by the department is final.

14 (10) "Local government" means any city, town, county, port
15 district, and any federally recognized Indian tribe.

16 (11) "Local infrastructure financing" means the use of revenues
17 received from local excise tax allocation revenues, local property tax
18 allocation revenues, other revenues from local public sources, and
19 revenues received from the local option sales and use tax authorized in
20 RCW 82.14.475, dedicated to pay either the principal and interest on
21 bonds authorized under RCW 39.102.150 or to pay public improvement
22 costs on a pay-as-you-go basis subject to RCW 39.102.195, or both.

23 (12) "Local property tax allocation revenue" means those tax
24 revenues derived from the receipt of regular property taxes levied on
25 the property tax allocation revenue value and used for local
26 infrastructure financing.

27 (13)(a) "Revenues from local public sources" means:

28 (i) Amounts of local excise tax allocation revenues and local
29 property tax allocation revenues, dedicated by sponsoring local
30 governments, participating local governments, and participating taxing
31 districts, for local infrastructure financing; and

32 (ii) Any other local revenues, except as provided in (b) of this
33 subsection, including revenues derived from federal and private
34 sources.

35 (b) Revenues from local public sources do not include any local
36 funds derived from state grants, state loans, or any other state moneys
37 including any local sales and use taxes credited against the state
38 sales and use taxes imposed under chapter 82.08 or 82.12 RCW.

1 (14) "Low-income housing" means residential housing for low-income
2 persons or families who lack the means which is necessary to enable
3 them, without financial assistance, to live in decent, safe, and
4 sanitary dwellings, without overcrowding. For the purposes of this
5 subsection, "low income" means income that does not exceed eighty
6 percent of the median family income for the standard metropolitan
7 statistical area in which the revenue development area is located.

8 (15) "Measurement year" means a calendar year, beginning with the
9 calendar year following the base year and each calendar year
10 thereafter, that is used annually to measure state and local excise tax
11 allocation revenues.

12 (16) "Ordinance" means any appropriate method of taking legislative
13 action by a local government.

14 (17) "Participating local government" means a local government
15 having a revenue development area within its geographic boundaries that
16 has entered into a written agreement with a sponsoring local government
17 as provided in RCW 39.102.080 to allow the use of all or some of its
18 local excise tax allocation revenues or other revenues from local
19 public sources dedicated for local infrastructure financing.

20 (18) "Participating taxing district" means a local government
21 having a revenue development area within its geographic boundaries that
22 has entered into a written agreement with a sponsoring local government
23 as provided in RCW 39.102.080 to allow the use of some or all of its
24 local property tax allocation revenues or other revenues from local
25 public sources dedicated for local infrastructure financing.

26 (19)(a)(i) "Property tax allocation revenue value" means
27 seventy-five percent of any increase in the assessed value of real
28 property in a revenue development area resulting from:

29 (A) The placement of new construction, improvements to property, or
30 both, on the assessment roll, where the new construction and
31 improvements are initiated after the revenue development area is
32 approved by the board;

33 (B) The cost of new housing construction, conversion, and
34 rehabilitation improvements, when such cost is treated as new
35 construction for purposes of chapter 84.55 RCW as provided in RCW
36 84.14.020, and the new housing construction, conversion, and
37 rehabilitation improvements are initiated after the revenue development
38 area is approved by the board;

1 (C) The cost of rehabilitation of historic property, when such cost
2 is treated as new construction for purposes of chapter 84.55 RCW as
3 provided in RCW 84.26.070, and the rehabilitation is initiated after
4 the revenue development area is approved by the board.

5 (ii) Increases in the assessed value of real property in a revenue
6 development area resulting from (a)(i)(A) through (C) of this
7 subsection are included in the property tax allocation revenue value in
8 the initial year. These same amounts are also included in the property
9 tax allocation revenue value in subsequent years unless the property
10 becomes exempt from property taxation.

11 (b) "Property tax allocation revenue value" includes seventy-five
12 percent of any increase in the assessed value of new construction
13 consisting of an entire building in the years following the initial
14 year, unless the building becomes exempt from property taxation.

15 (c) Except as provided in (b) of this subsection, "property tax
16 allocation revenue value" does not include any increase in the assessed
17 value of real property after the initial year.

18 (d) There is no property tax allocation revenue value if the
19 assessed value of real property in a revenue development area has not
20 increased as a result of any of the reasons specified in (a)(i)(A)
21 through (C) of this subsection.

22 (e) For purposes of this subsection, "initial year" means:

23 (i) For new construction and improvements to property added to the
24 assessment roll, the year during which the new construction and
25 improvements are initially placed on the assessment roll;

26 (ii) For the cost of new housing construction, conversion, and
27 rehabilitation improvements, when such cost is treated as new
28 construction for purposes of chapter 84.55 RCW, the year when such cost
29 is treated as new construction for purposes of levying taxes for
30 collection in the following year; and

31 (iii) For the cost of rehabilitation of historic property, when
32 such cost is treated as new construction for purposes of chapter 84.55
33 RCW, the year when such cost is treated as new construction for
34 purposes of levying taxes for collection in the following year.

35 (20) "Taxing district" means a government entity that levies or has
36 levied for it regular property taxes upon real property located within
37 a proposed or approved revenue development area.

38 (21) "Public improvements" means:

1 (a) Infrastructure improvements within the revenue development area
2 that include:

3 (i) Street, bridge, and road construction and maintenance,
4 including highway interchange construction;

5 (ii) Water and sewer system construction and improvements,
6 including wastewater reuse facilities;

7 (iii) Sidewalks, traffic controls, and streetlights;

8 (iv) Parking, terminal, and dock facilities;

9 (v) Park and ride facilities of a transit authority;

10 (vi) Park facilities and recreational areas, including trails; and

11 (vii) Storm water and drainage management systems;

12 (b) Expenditures for facilities and improvements that support
13 affordable housing as defined in RCW 43.63A.510.

14 (22) "Public improvement costs" means the cost of: (a) Design,
15 planning, acquisition including land acquisition, site preparation
16 including land clearing, construction, reconstruction, rehabilitation,
17 improvement, and installation of public improvements; (b) demolishing,
18 relocating, maintaining, and operating property pending construction of
19 public improvements; (c) the local government's portion of relocating
20 utilities as a result of public improvements; (d) financing public
21 improvements, including interest during construction, legal and other
22 professional services, taxes, insurance, principal and interest costs
23 on general indebtedness issued to finance public improvements, and any
24 necessary reserves for general indebtedness; (e) assessments incurred
25 in revaluing real property for the purpose of determining the property
26 tax allocation revenue base value that are in excess of costs incurred
27 by the assessor in accordance with the revaluation plan under chapter
28 84.41 RCW, and the costs of apportioning the taxes and complying with
29 this chapter and other applicable law; (f) administrative expenses and
30 feasibility studies reasonably necessary and related to these costs;
31 and (g) any of the above-described costs that may have been incurred
32 before adoption of the ordinance authorizing the public improvements
33 and the use of local infrastructure financing to fund the costs of the
34 public improvements.

35 (23) "Regular property taxes" means regular property taxes as
36 defined in RCW 84.04.140, except: (a) Regular property taxes levied by
37 public utility districts specifically for the purpose of making
38 required payments of principal and interest on general indebtedness;

1 (b) regular property taxes levied by the state for the support of the
2 common schools and for the support of state parks under RCW 84.52.065;
3 and (c) regular property taxes authorized by RCW 84.55.050 that are
4 limited to a specific purpose. "Regular property taxes" do not include
5 excess property tax levies that are exempt from the aggregate limits
6 for junior and senior taxing districts as provided in RCW 84.52.043.

7 (24) "Property tax allocation revenue base value" means the
8 assessed value of real property located within a revenue development
9 area for taxes levied in the year in which the revenue development area
10 is adopted for collection in the following year, plus one hundred
11 percent of any increase in the assessed value of real property located
12 within a revenue development area that is placed on the assessment
13 rolls after the revenue development area is adopted, less the property
14 tax allocation revenue value.

15 (25) "Relocating a business" means the closing of a business and
16 the reopening of that business, or the opening of a new business that
17 engages in the same activities as the previous business, in a different
18 location within a one-year period, when an individual or entity has an
19 ownership interest in the business at the time of closure and at the
20 time of opening or reopening. "Relocating a business" does not include
21 the closing and reopening of a business in a new location where the
22 business has been acquired and is under entirely new ownership at the
23 new location, or the closing and reopening of a business in a new
24 location as a result of the exercise of the power of eminent domain.

25 (26) "Revenue development area" means the geographic area adopted
26 by a sponsoring local government and approved by the board, from which
27 local excise and property tax allocation revenues are derived for local
28 infrastructure financing.

29 (27) "Small business" has the same meaning as provided in RCW
30 19.85.020.

31 (28) "Sponsoring local government" means a city, town, or county,
32 and for the purpose of this chapter a federally recognized Indian tribe
33 or any combination thereof, that adopts a revenue development area and
34 applies to the board to use local infrastructure financing.

35 (29) "State contribution" means the lesser of:

36 (a) One million dollars;

37 (b) The state excise tax allocation revenue and state property tax

1 allocation revenue received by the state during the preceding calendar
2 year;

3 (c) The total amount of local excise tax allocation revenues, local
4 property tax allocation revenues, and other revenues from local public
5 sources, that are dedicated by a sponsoring local government, any
6 participating local governments, and participating taxing districts, in
7 the preceding calendar year to the payment of principal and interest on
8 bonds issued under RCW 39.102.150 or to pay public improvement costs on
9 a pay-as-you-go basis subject to RCW 39.102.195, or both; or

10 (d) The amount of project award granted by the board in the notice
11 of approval to use local infrastructure financing under RCW 39.102.040.

12 (30) "State excise taxes" means revenues derived from state retail
13 sales and use taxes under chapters 82.08 and 82.12 RCW, less the amount
14 of tax distributions from all local retail sales and use taxes, other
15 than the local sales and use taxes authorized by RCW 82.14.475, imposed
16 on the same taxable events that are credited against the state retail
17 sales and use taxes under chapters 82.08 and 82.12 RCW.

18 (31) "State excise tax allocation revenue" means the amount of
19 state excise taxes received by the state during the measurement year
20 from taxable activity within the revenue development area over and
21 above the amount of state excise taxes received by the state during the
22 base year from taxable activity within the revenue development area,
23 except that:

24 (a) If a sponsoring local government adopts a revenue development
25 area and reasonably determines that no activity subject to tax under
26 chapters 82.08 and 82.12 RCW occurred within the boundaries of the
27 revenue development area in the twelve months immediately preceding the
28 approval of the revenue development area by the board, "state excise
29 tax allocation revenue" means the entire amount of state excise taxes
30 received by the state during a calendar year period beginning with the
31 calendar year immediately following the approval of the revenue
32 development area by the board and continuing with each measurement year
33 thereafter; and

34 (b) For revenue development areas approved by the board in calendar
35 years 2006 and 2007 that do not meet the requirements in (a) of this
36 subsection and if legislation is enacted in this state during the 2007
37 legislative session that adopts the sourcing provisions of the
38 streamlined sales and use tax agreement, "state excise tax allocation

1 revenue" means the amount of state excise taxes received by the state
2 during the measurement year from taxable activity within the revenue
3 development area over and above an amount of state excise taxes
4 received by the state during the 2007 or 2008 base year, as the case
5 may be, adjusted by the department for any estimated impacts from
6 retail sales and use tax sourcing changes effective in 2008. The
7 amount of base year adjustment determined by the department is final.

8 (32) "State property tax allocation revenue" means those tax
9 revenues derived from the imposition of property taxes levied by the
10 state for the support of common schools and for the support of state
11 parks under RCW 84.52.065 on the property tax allocation revenue value.

12 (33) "Real property" has the same meaning as in RCW 84.04.090 and
13 also includes any privately owned improvements located on publicly
14 owned land that are subject to property taxation.

15 NEW SECTION. **Sec. 8.** The secretary of state shall submit this act
16 to the people for their adoption and ratification, or rejection, at the
17 next general election to be held in this state, in accordance with
18 Article II, section 1 of the state Constitution and the laws adopted to
19 facilitate its operation.

20 NEW SECTION. **Sec. 9.** Sections 1 through 7 of this act expire July
21 1, 2015.

22 NEW SECTION. **Sec. 10.** This act applies to taxes levied for
23 collection in 2009 through 2014.

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